



## **DEPARTMENT OF AGRICULTURE**

**[DOC. NO. AMS-FGIS-18-0092]**

### **Grain Fees for Official Inspection and Weighing Services under the United States Grain Standards Act (USGSA).**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Notice.

**SUMMARY:** The United States Grain Standards Act (USGSA) provides the Secretary of Agriculture with the authority to charge and collect reasonable fees to cover the costs of performing official services and the costs associated with managing the program. The Agricultural Marketing Service (AMS) is announcing the 2019 fee schedule for official inspection and weighing services performed under the USGSA, as amended, and the Agriculture Reauthorizations Act of 2015. This notice publishes the annual review of Schedule A fees calculation and the resulting fees that went into effect on January 1, 2019.

**DATES:** Effective January 1, 2019.

**ADDRESSES:** Prospective customers can find the fee schedule posted on the Agency's public website.

**FOR FURTHER INFORMATION CONTACT:** Denise Ruggles, FGIS Executive Program Analyst, USDA AMS; Telephone: (816) 659-8406; Email: [Denise.M.Ruggles@usda.gov](mailto:Denise.M.Ruggles@usda.gov).

**SUPPLEMENTARY INFORMATION:** The regulations require that Federal Grain Inspection Service (FGIS) annually review the national tonnage fees, local tonnage fees, and fees for service. After calculating the tonnage fees according to the regulatory formula in 7 CFR 800.71(b)(1), FGIS then reviews the amount of funds in the operating reserve at the end of

the fiscal year (FY2018 in this case) to ensure that it has 4 ½ months of operating expenses as required by section 800.71(b)(2) of the regulations. If the operating reserve has more, or less than 4 ½ months of operating expenses, then FGIS must adjust all Schedule A fees. For each \$1,000,000, rounded down, that the operating reserve varies from the target of 4 ½ months, FGIS will adjust all Schedule A fees by 2 percent. If the operating reserve exceeds the target, all Schedule A fees will be reduced. If the operating reserve does not meet the target, all Schedule A fees will be increased. The maximum annual increase or decrease in fees is 5 percent (7 CFR § 800.71(b)(2)(i)-(ii)).

Tonnage fees for the 5-year rolling average tonnage were calculated on the previous 5 fiscal years 2014, 2015, 2016, 2017, and 2018. Tonnage fees consist of the national tonnage fee and local tonnage fee and are calculated and rounded to the nearest \$0.001 per metric ton. The tonnage fees are calculated as following:

*National tonnage fee.* The national tonnage fee is the national program administrative costs for the previous fiscal year divided by the average yearly tons of export grain officially inspected and/or weighed by delegated States and designated agencies, excluding land carrier shipments to Canada and Mexico, and outbound grain officially inspected and/or weighed by FGIS during the previous 5 fiscal years.

$$\text{National Tonnage Fee} = \frac{\text{FY2018 National Administrative Costs}}{\text{5 Year Rolling Average Export Tons}}$$

Fiscal Year	Metric Tons
2014	117,560,767
2015	118,758,937
2016	122,330,979
2017	135,017,935

2018	129,687,652
5-year Rolling Average	124,671,254

The national program administrative costs for fiscal year 2018 were \$8,075,737. The fiscal year 2019 national tonnage fee, prior to the operating reserve review, is calculated to be at \$0.065 per metric ton.

*Local tonnage fee.* The local tonnage fee is the field office administrative costs for the previous fiscal year divided by the average yearly tons of outbound grain officially inspected and/or weighed by the field office during the previous 5 fiscal years.

$$\text{Local Tonnage} = \frac{\text{FY2018 Field Office Administrative Costs}}{\text{5 Year Rolling Average Export Tons (Local)}}$$

The field offices fiscal year tons for the previous 5 fiscal years and calculated 5-year rolling average are as follows:

Field Office	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	5-year Rolling Average
New Orleans	62,862,914	65,244,517	66,077,535	70,439,862	66,996,126	66,324,191
League City	12,623,510	12,474,343	12,581,236	13,307,780	8,424,216	11,882,217
Portland	6,065,934	4,111,533	4,645,754	5,175,459	4,643,241	4,928,384
Toledo	1,802,339	2,484,604	2,030,506	2,229,920	1,802,762	2,070,026

The local field office administrative costs for fiscal year 2018 and the fiscal year 2019 calculated local field office tonnage fee, prior to the operating reserve review, are as follows:

Field Office	FY 2018 Local Administrative Costs	Calculated FY 2019 Local Tonnage Fee
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New Orleans	\$1,641,144	\$0.025
League City	\$878,868	\$0.074
Portland	\$380,435	\$0.077
Toledo	\$239,862	\$0.116

*Operating reserve.* In order to maintain an operating reserve not less than 3 and not more than 6 months, FGIS reviewed the value of the operating reserve at the end of FY2018 to ensure that an operating reserve of 4 ½ months is maintained.

The program operating reserve at the end of fiscal year 2018 was \$21,561,945 with a monthly operating expense of \$3,276,796. The target of 4.5 months of operating reserve is \$14,745,582. Therefore, the operating reserve is greater than 4.5 times the monthly operating expenses by \$6,816,363. For each \$1,000,000, rounded down, above the target level, all Schedule A fees must be reduced by 2 percent. The operating reserve is \$6.8 million above the target level resulting in a calculated 12 percent reduction. As required by 800.71(b)(2)(ii), the reduction is limited to 5 percent. Therefore, for 2019, FGIS is reducing all the 2018 Schedule A fees for service in Schedule A in paragraph (a)(1) by the maximum 5 percent. All Schedule A fees for service are rounded to the nearest \$0.10, except for fees based on tonnage or hundredweight. The resulting fees from the annual review went into effect on January 1, 2019 and this notice formalizes this change. The fee Schedule A has been published on the agency's public website.

### **GIPSA / AMS Merger**

GIPSA formerly fell within the mission area overseen by the Under Secretary for Marketing and Regulatory Programs (MRP), along with AMS. The Under Secretary for MRP's authority over GIPSA is further demonstrated by the published delegations of authority in Part 2 of Title 7 of the CFR. In 7 C.F.R. 2.22(a)(3), the Secretary of Agriculture delegated to the Under Secretary

for MRP authorities “related to grain inspection, packers and stockyards.” In 7 C.F.R. 2.81, the Under Secretary for MRP further delegated these authorities to the Administrator of GIPSA.

In a November 14, 2017 Secretary’s Memorandum, the Secretary directed that the authorities at 7 C.F.R. 2.81 be re-delegated to the Administrator of AMS, and that the delegations to the Administrator of GIPSA be revoked. But these changes did not affect the existing delegations to the Under Secretary of MRP related to grain inspection, packers and stockyards at 7 C.F.R. 2.22(a)(3).

**Authority:** 7 U.S.C. 71–87k.

Dated: March 26, 2019.

Bruce Summers,  
Administrator,  
Agricultural Marketing Service.

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